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Part One

A decade of social policy since the crisis – looking back and forward

Elke Heins

The UK political debate in 2018 was dominated by one single topic – Brexit. This often overshadowed other important socio-political developments such as the funding crisis of the NHS, the failing social care system or the mounting problems in relation to the roll-out of Universal Credit. When the draft EU Withdrawal Agreement was finally presented in November, a number of Cabinet members instantly resigned in opposition to the deal negotiated by the Prime Minister. Among them was Esther McVey, the Secretary of State for Work and Pensions. Her resignation was met with little sympathy on social media, to put it mildly; a frequent comment on Twitter was that she should have resigned much earlier, namely when it transpired that she misled Parliament over Universal Credit mistakes. Other social media commentators remarked that the timing of her resignation might not be coincidental given the imminent publication of a condemning report by UN special rapporteur on extreme poverty and human rights, Philip Alston, on the state of poverty in the UK. His fact-finding mission collected a vast array of evidence on the misery caused by the controversial Universal Credit roll-out that McVey had defended staunchly during her time as Work and Pensions Secretary.

The scorching review published on 16 November 2018 criticised the immense growth in foodbanks, the number of people being homeless and rough sleeping, a sense of deep despair and unheard levels of loneliness and isolation. In his accompanying statement, the special rapporteur criticised the UK government in Westminster for being in ‘a state of denial’ over the dire consequences of its austerity-framed welfare reform. The government was furthermore accused by Alston of overturning the post-war welfare state consensus under the guise of economic necessity, while pursuing an ideological commitment to ‘achieving radical social re-engineering’. As a consequence, great misery has been inflicted unnecessarily, especially on the working poor, single mothers, people

with disabilities, and millions of children (United Nations Human Rights Office of the High Commissioner, 2018).

It is worth repeating the devastating verdict that was reached by Alston as it sums up overall developments in social policy in the past decade. 2018 of course also marked the ten year anniversary of the collapse of Lehman Brothers which became the catalyst of the global financial and economic crisis that has had such a long-lasting impact on social policy in the UK and elsewhere. The first part of the book therefore invited previous editors of *Social Policy Review* as key experts to analyse both the developments in their respective areas of social policy research over this past decade while also looking ahead what the near future may bring in these turbulent times of Brexit and continued austerity.

In the first chapter of this volume, Martin Powell examines 'the NHS in a cold climate of a decade of austerity'. This period has first seen a broad move from the optimism of the health service's 60th anniversary and greater pessimism of its 70th anniversary. Second, it has seen 'a game of two halves' from a preoccupation with the reorganisation of the Health and Social Care Act (2012) towards ways of working around or undoing that reorganisation. One sad constant in the period is the continuation of Inquiries into failings in the NHS. The chapter concludes with an assessment of the 'birthday present' of increased funding associated with the NHS' 70th anniversary, and some thoughts on the outlook of things to come. While the increased funding is welcome, it is unlikely to have the promised transformative effect because it doesn't match the NHS' historical rate of funding increase; it includes promises that have been made in the past but have not been delivered, and excludes wider elements of health-related activity and social care. Powell argues that, if life is to begin at 70 for the NHS, future birthday presents must include greater integration with social care, perhaps even a transformation into a National Health and Social Care Service.

Kirstein Rummery in her chapter 'Disability and austerity: the perfect storm of attacks on social rights' paints a similarly gloomy picture when focusing on the impact that the post 2008 austerity regime has had on the lives of disabled people in the UK. She traces the way in which previous hard-fought for rights in social care and welfare that had been developing since 1997 have been stripped back under austerity. The chapter describes in particular the stigmatisation of disabled people as 'shirkers', increased welfare conditionality and budget cuts. Looking at social care, direct payments and self-directed support, and the move from Disability Living Allowance (DLA) to Personal Independence Payments and the impact of other changes in the benefits system, she argues that these changes have created a 'perfect storm' of welfare cutbacks. Rummery also looks at how disability intersects with gender and age to reduce rights and support further, particularly with the reduction of support available to informal carers. Looking forward, the chapter examines the impact of devolution of universal credit and DLA in Scotland to see whether there is likely to be some divergence in disability rights within the UK. It concludes by speculating about the possible outcomes of Brexit and the UK's withdrawal from the EU.

As academic colleagues will certainly remember, 2018 saw a long period of industrial action over a dispute about University staff pensions. Pensions are a very complex policy area that many of us tend to avoid thinking about. It surely is not a particularly popular topic with the majority of our students. Nevertheless, as the debates during the strike have made clear, it is a vital policy field with huge implications for our future wellbeing and influenced by important dimensions of inequality, thus deserving much more attention in both public and scholarly debate. Paul Bridgen in his chapter 'Financialisation *and* social protection? The UK's path towards a socially protective public-private pension system' provides a much needed analysis in this respect. Rather than seeing the increased financialisation of pensions in the UK as driven by a neo-liberal agenda deeply embedded within an Anglo-liberal growth model, Bridgen argues in his chapter that UK pension financialisation has been

a much less straightforward process of negotiation, involving a diversity of agendas and actors. It has neither been solely driven by the state nor has it left neo-liberalism unchallenged as an ideological policy guide. Instead, this negotiation has been balancing financialising rationales with those of social protection. It has resulted in a system that has changed the nature of public responsibility rather than removed it entirely. He discusses how a public policy of pensions has developed that resulted in a hybrid system of public and private sector regulation. He continues with outlining two reform suggestions that would not automatically assume a one-way track to further financialisation of the UK pension system and risk-shifting at the expense of employees. One suggestion is the improvement of pension adequacy by phased rises in the employer contribution; another one is a new approach to risk-sharing by creating 'a halfway house' pension form between defined benefit and defined contribution based on pooling, similar to occupational pension reforms in the Netherlands or Denmark. He concludes on a more positive outlook that sees scope for a potentially transformative incremental reform agenda by which the current system could be made both more generous and more predictable. Proponents of neo-liberal financialisation, including private pension providers, will oppose this but, as his analysis of the past decade has shown, there is no reason to believe they will inevitably be successful in preventing a more progressive agenda.

The role of private providers in the delivery of welfare is also examined in the following chapter by Kevin Farnsworth titled 'Towards a whole economy approach to the welfare state: Citizens, corporations and the state within the broad welfare mix'. The chapter places the activities of businesses at the centre of the analysis and argues for a broadening of social policy focus, beyond the mixed economy approach (which incorporates social, private, informal/familial, voluntary, fiscal and occupational welfare) towards a whole economy approach that 'brings in' corporate welfare and a broader focus on taxation, public policies that overlap with social policy objectives, power and the economy. It maps the multiple and complex threads between social, public and economic policies

and examines state support for businesses and other elite groups, thereby revealing connections between a range of state and non-state actors that are hugely important to the study of welfare systems. His comparative analysis shows, for example, that the UK, which introduced deep cuts to unemployment benefits and embraces austerity, still provides relatively generous business subsidies. Farnsworth demonstrates how power influences the distribution of resources, and how the decisions of actors or policy measures in one area can influence the actions or decisions of other actors and other policy measures and thus presents a convincing case for broadening the focus of social policy analysis in the future.

We conclude this first part of *Social Policy Review 31* by extending our analysis beyond the UK. Menno Fenger and Babs Broekema provide an instructive international perspective on key developments in welfare state reform over the past decade by critically discussing recent developments in the Dutch welfare state. Their chapter 'From Welfare State to Participation Society: Austerity, Ideology of Rhetoric?' shows how, in contrast to the UK, ideas akin to the 'Big Society' gained significant traction in a number of social policy areas in the Netherlands. Emerging from the social investment paradigm that dominated European welfare state reform since the late 1990s, the introduction of the so-called Participation Society in 2013 heavily borrowed from Big Society ideas. In the view of Fenger and Broekema, the introduction of the Participation Society demarcates a step further on the road from collective to individual responsibility. In contrast to the social investment paradigm, which focuses on individual responsibility for individual welfare, the Participation Society paradigm highlights individual responsibility for collective welfare. They consider the shift towards the Participation Society as a newly emerging era in the development of the Dutch welfare state with important lessons to learn for other welfare states, including the British one.

Taken together, all these diverse contributions highlighted the manifold implications of austerity and a broader neo-liberal ideology on welfare in the UK and beyond over the past decade. The announcement by the new Secretary of State for Work and Pensions, Amber Rudd, to end the benefit freeze in 2020 and introduce changes to the much criticised Universal Credit system is thus welcome news. However, as many authors in this book highlight, the challenges ahead are multi-dimensional, complex and entrenched. Brexit – with the caveat that at the time of writing there is still much uncertainty over which form it will take, and indeed if it happens at all – will clearly add to the woes of the UK welfare state. Even if a decade of austerity might come to an end, another decade of upheaval may lay ahead of UK social policy.

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